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May 28, 2008

BY E-FILING

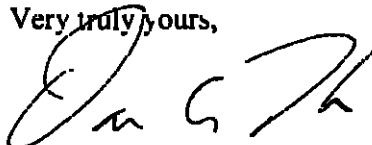
The Honorable Anne K. Quinlan, Esq.
Acting Secretary
Surface Transportation Board
Office of the Secretary
395 E Street, S.W.
Washington, DC 20423-0001

**Re: Canadian National Railway Company and Grand Trunk Corporation –
Control – EJ&E West Company (STB Finance Docket No. 35087)**

Dear Ms. Quinlan:

Enclosed for filing in the above-referenced docket are letters by Farmrail System, Inc. (dated May 22, 2008), the Iowa Interstate Railroad, Ltd. (dated May 22, 2008), Watco Companies, Inc. (dated May 27, 2008), and the Wheeling & Lake Erie Railway Company (dated May 28, 2008) in support of Applicants' Request for Establishment of Time Limits for NEPA Review and Final Decision (CN-33, filed May 13, 2008). We understand that the signed originals are being mailed directly to the Board.

Very truly yours,



David A. Hirsh
Counsel for Canadian National Railway Company
and Grand Trunk Corporation

Enclosures

cc: All parties of record

Farmrail System, Inc , Post Office Box 1750, Clinton, OK 73601 580-323-1234

May 22, 2008

Chairman Charles D Nottingham
Vice Chairman Francis P Mulvey
Commissioner W Douglas Buttrey
Surface Transportation Board
United States Department of Transportation
395 E Street, S W
Washington, D. C 20423-0001

Gentlemen

I offer these comments on the pending Canadian National-Elgin, Joliet & Eastern acquisition transaction *not as a party at interest, but from the perspective of a progressive short-line operator*. The Board's recent ruling in this case appears to have provided for an open-ended time period in which to render a final decision.

Historically, the growing short-line sector of the railroad industry has relied upon a regulatory framework that is both predictable and timely to facilitate a long-term restructuring effort driven by economics. I fear that the ruling sets an undesirable precedent that could have the unintended consequence of jeopardizing further formation of short lines.

In my judgment, about 30,000 more route-miles should be transferred from Class I carriers to smaller operators in order to complete the industry's rationalization into sustainable "wholesale" and "retail" components. We cannot allow 27 more years to elapse before the rail renaissance begun under the 1980 Staggers Act finally evolves into the efficient network required to accommodate projected 21st Century service demands.

Against the backdrop of calls for reregulation, I have been pleased to see the STB engage in more aggressive industry oversight. Many of your recent actions have helped to demonstrate that an active Board can contribute to a stronger and more competitive national railway system without undoing the positive benefits of Staggers. Nonetheless, the oversight process itself should not be used as an artifice to forestall a transaction.

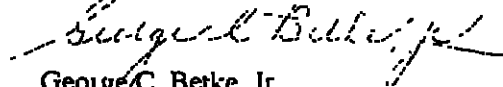
Establishment of a new Class II or Class III railroad typically requires substantial financing for purchase and rehabilitation and meaningful commitments by the dependent rail users. A regulatory process that drags on indefinitely makes it impossible to extend financing commitments and keep uncertain customers from defecting to alternative transportation.

Railroad issues understandably serve as "magnets" for individuals and communities asking to be heard. Their legitimate concerns should be addressed, but no railroad transaction can survive a process that continues indefinitely without resolution.

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Farmrail was founded in 1981 and has been an ardent supporter of preserving an efficient and competitive railroad network. Nearly all of its 347 route-miles would have been subject to abandonment by the previous Class I owners had an entrepreneurial entity not been formed to collaborate with state and local interests to maintain regional access to the national rail network. The resurgence of Oklahoma's agricultural economy and energy production in recent years has demonstrated the validity of that collective preservation decision. None of the transactions in Farmrail's history of expansion and diversification could have survived an overly extended regulatory review, and I urge the Board to avoid undue delay in this case.

Sincerely,

A handwritten signature in dark ink, appearing to read "George C. Betke, Jr.", with a stylized flourish at the end.

George C. Betke, Jr.
Chairman and Chief Executive Officer



May 22, 2008

Anne K. Quinlan, Esquire
Acting Secretary
Surface Transportation Board
395 E Street, S.W
Washington DC 20423-0001

Re: STB Finance Docket No. 35087)

Dear Ms. Quinlan:

I am President and CEO of the Iowa Interstate Railroad and I am writing concerning the proposed purchase of the EJ&E Railroad (EJ&E) by the Canadian National Railway Company (CN). The Iowa Interstate Railroad operates over 552 miles of track across the state of Iowa and into Illinois.

I am writing to support CN's request that a definitive time limit is established for the Board's environmental review and final decision in this matter.

The creation of the short line railroad industry was largely the result of the deregulation incorporated in the Staggers Act of 1980. An important part of that deregulation involved the creation of an expedited process for the creation of new short line railroad companies. Buying and successfully operating short line railroads requires substantial private financing and significant commitments on the part of railroad customers. These free market decisions cannot be successfully negotiated or maintained in an environment where regulatory approvals are withheld for indefinite periods of time. Bankers and shippers operate in a very competitive environment. They will wait for some period of time, but they will not wait for an unspecified period of time.

I am not intimately familiar with the specifics of the CN/EJ&E transaction. On its face it appears to result in reduced delays for rail transportation through Chicago. That result is good for the rail network in general and good for those of us that move our railcars through the Chicago gateway. Those benefits aside, I understand that a change in operating patterns impacts different communities in different ways and the STB has a responsibility to understand and review those impacts. I respectfully submit that your

review should not be for an indefinite period. Otherwise, the process itself rather than the merits could well dictate the final outcome.

I appreciate the opportunity to comment on this matter.

Sincerely



Dennis H. Miller
President and CEO
Iowa Interstate Railroad, LTD.



May 27, 2008

Honorable Anne Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S W.
Washington, DC 20423-0001

Re STB Finance Docket No 35087, Canadian National Railway Company and
Grand Trunk Corporation -- Control -- EJ&E West Company

Dear Acting Secretary Quinlan

Watco Companies, Inc ("Watco") would like to take this opportunity to comment on Canadian National Railway Company's May 13, 2008 filing in STB Finance Docket No. 35087. We strongly support the establishment of definitive time limits as referenced in the filing. Watco owns 17 short line railroads, which together operate over 3,000 miles in 15 states.

As you know, there are over 500 short lines operating over 52,000 miles of track across the country. The majority of these short lines were formed since 1980 and are largely the result of the dramatic restructuring of a national railroad industry that was near bankruptcy. Today, short line railroads are a strong and growing segment of the national railroad system and it is easy to forget how difficult and at times controversial short line creation was in the first instance. Entrepreneurs had to borrow large sums of money to purchase the lines. They had to engage in difficult negotiations with communities that wanted to preserve their Class I service. They had to quickly win back traffic that had been lost to years of deferred maintenance and poor service so they could earn the revenue needed for rehabilitation.

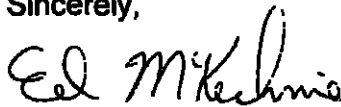
One of the primary reasons the short line industry succeeded was a decision by the Interstate Commerce Commission (and subsequently the Surface Transportation Board) to expedite the federal approval process. An expeditious regulatory process was critical for two reasons. First, it was absolutely essential if short line buyers were to secure and hold onto their bank financing. Second, shippers were not going to wait very long to make their transportation decisions and certainly were not going to wait at all if the timeframe for decision making was indefinite. Customer decisions involve alternative investments and contractual commitments and once those are made they cannot be easily undone.

The STB originally designated the CN/EJ&E transaction as "minor" under the Board's rules. The procedures governing "minor" transactions are analogous to the expedited procedures applied to the creation of most short line railroads and those procedures played such an important role in our ability to preserve and strengthen tens of thousands of miles of rail line. We respectfully submit that to now turn what was designated a "minor" transaction into a proceeding with an indefinite decision date is a very dangerous precedent that could well affect the creation of future short line railroads.

We fully understand the Board's need to undertake an appropriate environmental review. We also understand the Board's desire to take into account the views of the many interests that are affected by a railroad transaction. But we believe the Board's responsibility to produce a timely decision is just as important. If the government's process determines that a transaction should not be approved so be it. But killing a transaction should not be accomplished simply because its opponents were able to run out the clock.

We appreciate the opportunity to comment on this issue as we believe it is very important to the future growth and viability of the short line railroad industry. We stand ready to provide any further information on this matter as you deem appropriate.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed McKechnie". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Ed McKechnie

WHEELING & LAKE ERIE RAILWAY COMPANY

William A. Callison

President

Phone: 330-767-7290

Email: law@wlerwy.com

100 E. First Street

Brewster, Ohio 44613

Fax: 330-767-7300

May 28, 2008

Anne K. Quinlan, Esquire

Acting Secretary

Surface Transportation Board

395 E Street, S.W.

Washington DC 20423-0001

Re: STB Finance Docket No. 35087

Dear Ms Quinlan:

On behalf of the Wheeling & Lake Erie Railway Company (W&LE) I would like to take this opportunity to comment on the Canadian National Railway Company's (CN) May 13, filing in STB Finance Docket No. 35087. We agree with CN's request for the establishment of definitive time limits in this matter. It is a fair and reasonable request. Equally important, we believe the failure to establish a time limit is a dangerous precedent for the short line and regional railroad industry which has benefited greatly from the Board's consistent application of expeditious and definitive time tables.

In its May 13 filing CN notes that the only other control proceeding where the Board has required an environment impact statement (EIS) was the Conrail proceeding. This was a transaction of enormous complexity and geographic reach. In that case time limits were established. We agree with CN that it is difficult to understand why in a case seemingly far less complex than the Conrail sale case, such time limits cannot be put in place.

We believe that a regulatory process that is allowed to proceed indefinitely is harmful to any private business and is a particularly dangerous precedent for the short line railroad industry. Short line and regional railroads have done a tremendous job in saving the most vulnerable track in our national railroad network. Saving these lines from abandonment requires substantial private financing both to purchase the assets and rehabilitate the infrastructure. This private financing is relatively risky in and of itself. Subjecting a transaction to an indefinite federal approval process makes it even more difficult to secure and hold this financing.

This is an important subject because the short line and regional railroad industry itself is largely the product of an expedited approval process. The majority of short line and regional railroads were formed in the midst of very difficult circumstances. Communities wanted to preserve their Class I rail service. Employees were anxious about their future employment. Rail shippers

Anne K. Quinlan, Esq.
Acting Secretary
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wanted assurances about service and reliability. Capital dollars needed to eliminate deferred maintenance were difficult to secure for lines that had lost so much of their traffic.

We believe the decisions by the Interstate Commerce Commission (and subsequently the Surface Transportation Board) to create reasonably short timeframes for regulatory approval of short line transactions is largely responsible for our ability to succeed in these difficult circumstances. It allowed short lines to secure and hold financing in place, to make timely commitments to existing and potential shippers and to work as quickly as possible to meet employee concerns. We understand that the Board must consider all views on the environmental aspects of the proposed transaction, but we believe the Board also has a responsibility to produce a timely decision in that regard.

I appreciate the opportunity to comment on this important case.

Sincerely,

A handwritten signature in dark ink, appearing to read 'W. A. Callison', written in a cursive style.

William A. Callison

CERTIFICATE OF SERVICE

I certify that I have this 28th day of May, 2008, served copies of the foregoing letter, transmitting letters in support of Applicants' Request for Establishment of Time Limits for NEPA Review and Final Decision, upon all known parties of record in this proceeding by first-class mail or a more expeditious method.


Christine A. Mellen